

OLC 73-0395

27 March 1973

MEMORANDUM FOR THE RECORD

SUBJECT: Director's Meeting with Chairman Lucien Nedzi, Intelligence Subcommittee, House Armed Services Committee, and Mr. Frank Slatinshek, Chief Counsel for the Committee.

1. The Director met for two hours with Representative Lucien Nedzi (D., Mich.), Chairman of the Intelligence Subcommittee, and Mr. Frank Slatinshek, Chief Counsel, House Armed Services Committee, in anticipation of Intelligence Subcommittee hearings on a proposed bill to raise the quota or limitation on the number of retirements under the Central Intelligence Agency Retirement Act. The conversation was a personal one and for the most part off-the-record. Also present at the meeting were Jack Maury and [REDACTED]

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2. In keeping with the object of CIARDS for the establishment of a young organization, the Director reviewed the background, Agency personnel structure, the aging of personnel problem, supergrades, and the distribution of personnel by age and grade. He pointed out that the passage of 20 years has militated against a younger average age. He noted we have a fair amount of deadwood in the system, that our younger people are progressing very slowly, and that we have been losing many of the better ones in the 25-43 age group. He pointed out that the overall promotion policy within the Agency has been slow. He outlined for Representative Nedzi and Mr. Slatinshek the actions he has taken to date and contemplates at present in reducing the overall work force and outlined the need for legislative assistance in raising the quota under CIARDS.

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3. In response to a question by Chairman Nedzi as to the percentage of older people being RIFed among the approximate [] employees and in particular the [] from DD/O, the Director noted that it is high--probably 75-80%, but that these figures will have to be broken out for him. The Chairman asked if the positions from which individuals are to be surplussed are to be abolished and if so, the effect this would have on promotion of younger people, to which the Director responded that in many instances the slots would be abolished but that there would be a corresponding adjustment in the grade structure. The Director noted in response to further questions that the supergrade positions in the Agency which are somewhat greater than the average agency (as they should be) is established by negotiation with the Office of Management and Budget. Chairman Nedzi was interested in how the overall problem has manifested itself, what provision is being made for "human concern" and whether actions will be taken to assist on matters such as out placement before pink slips are handed out. The Director advised that he intends to use his personnel credit in industry in addition to existing facilities to aid in the possibly [] cases where real assistance will be needed in seeking other employment. Slatinshek noted that from a Committee hearing point of view the present program "makes suspect all of your career planning in the past."

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4. The Director noted in part the answer to a question that the Administration needs to cut intelligence costs and personnel, and illustrated with the actions already taken in the consolidated cryptologic field. In response to Slatinshek the Director reviewed the current community cost which has been holding at approximately [] and the reduction of real resources going into intelligence over the last several years by about []. Slatinshek noted that the Committee will need a breakout of all these figures.

5. With regard to the quota increase requested, the Director noted that we are now in a position where we cannot carry out the intent of Congress or provide equity for the very people the Congress intended. With regard to accelerating retirement and whether there will be an adverse effect on the fund, and whether the present numbers of persons in the program is greater than those originally anticipated, the Chairman

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was advised that we would check the figures and make them available.

25X1 With regard to the Chairman's question on justification of the [] additional
25X1 quota, the Director pointed out that this is the number of individuals who
are eligible for retirement at the present time. We do not expect them
all to retire but we need the authority--by 30 June 1974 some [] will be
eligible. The Chairman noted that this is a very large jump for the
Committee.

6. Slatinshek asked what the result would be if the Congress fails to act. The Director advised that some would be placed on administrative leave and that they would be continued on salary. The CIARDS will not be RIFed without retirement benefits. Slatinshek asked about the actual form of termination for those under Civil Service whether this would be accomplished by technically abolishing the position as surplus to our needs, not by marginal performance. The Director responded that the positions would be abolished. The Chairman asked how much the rest of the Agency personnel appreciated what is in the Director's mind at this time. Isn't their morale bad? The Director stated, not so, it is improving as the notifications are completed. The Chairman responded that the press stories say this is only the beginning of a big purge and most personnel would appear to have this understanding of the problem. He asked whether the message had been transmitted. The Director advised that the message has been transmitted in those Directorates where notification has been completed.

7. In response to the Chairman's question as to when the proposed legislation would be forwarded to Congress, the Director said it would be forwarded immediately. In consultation with Slatinshek the Chairman advised that he would schedule a Subcommittee meeting on the bill for Friday and observed that the form of presentation could be much as in the present meeting. The Director noted that the objective of the briefing would be a single proposition, quota for eligible CIARDS. This is necessary if we want a more vigorous structure. He noted that the Agency may want to prepare to retire out at 40 or so. We are now RIFing people who are declared excess.

25X1 8. Slatinshek noted we would be on the record since this is a
legislative proposal and it would be useful for the members to outline
the reasons for the original [] total requested and the actuarial consid-
erations involved.

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9. Chairman Nedzi raised the question of stating the total number of Agency personnel for the record. He feels the overall problem would be much easier if that number could now be used.

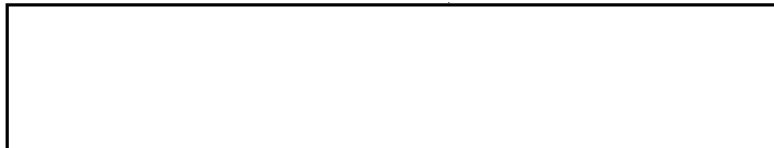
10. The Chairman raised the question of the possibility of an amendment to the Civil Service Act and asked how important it is to have that kind of flexibility, to allow transfer from CIARDS to Civil Service. The Director responded that it is desirable but not essential at this time.

11. Slatinshek noted that we ought to look at the whole system and how we will attrit the individuals, etc., in our presentation. As for a fall-back position, the Chairman noted we should compute an absolute minimum number for the increase in the quota that will be needed to keep going--if there is a flap in the Subcommittee we should be prepared with out minimum figure. The Director noted this figure would be in the neighborhood of

12. Slatinshek said it is not clear to him if we decide, or Congress says we cannot have the increase in quota, why we can't RIF the individuals anyway. The Director responded that morally we would be in an indefensible position.

13. Slatinshek advised that a profile would be useful showing the years of service of individuals and age and typical retirement benefits for the group for use in the presentation.

14. The Director closed by noting that he was brought up in the school with Chairman Chet Hollifield and the Joint Committee on Atomic Energy of keeping the Congress fully and completely informed. This he will try to do.



Assistant Legislative Counsel

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